DOCUMENT RESUME

ED 261 608 HE 018 706

TITLE	Reauthorization of the Federal Higher Education Act of 1965. A Staff Report to the California Postsecondary Education Commission. Commission Report 85-29.
INSTITUTION	California State Postsecondary Education Commission, Sacramento.
PUB DATE	Jul 85
NOTE	22p.
AVAILABLE FROM	California Postsecondary Education Commission, 1020 Twelfth Street, Sacramento, CA 95814.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Adult Students; Black Colleges; *Change Strategies; College Libraries; Continuing Education; Cooperative Education; Educational Facilities Improvement; Federal Aid; *Federal Legislation; *Federal Programs; Financial Support; Graduate Study; *Higher Education; International Education; Library Education; *Public Policy; Research Libraries; Student Financial Aid; Teacher Education; Urban Universities
IDENTIFIERS	*Fund for Improvement of Postsecondary Education; *Higher Education Act 1965

ABSTRACT

The contents of the federal Higher Education Act of 1965 are summarized, with attention to competing interests and policy areas of concern to the California Postsecondary Education Commission. Current provisions and proposed changes are reviewed for: Title I, Continuing Postsecondary Education Program and Planning; Title II, College and Research Library Assistance and Library Training and Research; Title III, Institutional Aid; Title IV, Student Assistance; Title V, Teacher Preparation; Title VI, International Education; Title VII, Construction, Reconstruction, and Renovation of Academic Facilities; Title VIII, Cooperative Education; Title IX, Graduate Programs; Title X, Fund for the Improvement of Postsecondary Education; Title XI, Urban Grant University Program; and Title XII, General Provisions. Among the proposed changes are the following: support to institutional development and operation of adult learner programs if colleges can show that the programs relate to state plans for adult and continuing education; grants to small libraries with financial need to improve their technological capacity and grants to more advanced libraries to promote the state of the art through research and demonstration projects; and sustained support for historically black institutions. (SW)

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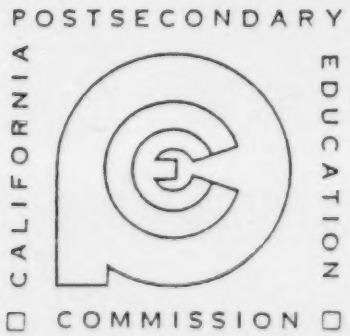
The Commission consists of 15 members. Nine represent the general public, with three each appointed by the Speaker of the Assembly, the Senate Rules Committee, and the Governor. The other six represent the major educational systems of the State.

The Commission holds regular public meetings throughout the year at which it takes action on staff studies and adopts positions on legislative proposals affecting postsecondary education. Further information about the Commission, its meetings, its staff, and its other publications may be obtained from the Commission offices at 1020 Twelfth Street, Sacramento, California 95814; telephone (916) 445-7933.

REAUTHORIZATION OF THE
FEDERAL HIGHER EDUCATION ACT OF 1965

A Staff Report to the California Postsecondary Education Commission



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1020 Twelfth Street, Sacramento, California 95814

Commission Report 85-29

July 1985

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INTRODUCTION

Since 1965, the Higher Education Act and its subsequent amendments have served as a policy framework for the Congress and the federal government in building and refining their supporting relationship to this country's colleges and college students. The Act has been amended several times since 1965, and the current provisions expire at the end of September, with an automatic one-year extension. The House Postsecondary Education Subcommittee, chaired by William Ford of Michigan, has scheduled a series of over 25 hearings in Washington, D.C., and across the country this summer to receive testimony on recommended changes with an eye to completing draft amendments for review by late fall. The Senate Subcommittee on Education, Arts, and Humanities, chaired by Robert Stafford of Vermont, is expected to begin its work in the fall. Then a two-house conference committee will attempt to resolve differences between the House and Senate versions of the bill in early 1986, with a goal of providing the President with a complete measure in Summer 1986.

College and university officials, student groups, and higher education associations as well as state governors, legislatures, and higher education boards have already begun to advise Congress of the need for specific changes to the 12 sections of the Act. This brief review seeks to describe the contents of the Act, summarize the major concerns and competing interests regarding them, and identify those policy areas where the Commission may have a particular interest in change.

TITLE I: CONTINUING POSTSECONDARY EDUCATION PROGRAM AND PLANNING

Current Provisions

Title I consists of two parts: Part A -- Commission on National Development in Postsecondary Education; and Part B -- Education Outreach Programs.

Under Part A, the Commission on National Development in Postsecondary Education is authorized to examine such issues as the extent to which planning by states, localities, and postsecondary institutions is designed to identify the future needs of education in the country, the effectiveness of federal financial assistance to students and postsecondary institutions, the capacity of institutions of higher education to carry out their mission, and the effect of demographic changes on postsecondary institutions. Although the Education Amendments of 1980 authorized $3 million for the Commission for the period between October 1981 and March 1984, subsequent budget cuts eliminated this funding.

Part B authorizes both state and discretionary grants for Education Outreach Programs. Under it, state grants have been provided for comprehensive statewide postsecondary education planning, for providing educational information to both traditional and non-traditional learners, and for conducting

adult continuing education programs. Discretionary grants have provided funds for projects designed to demonstrate the effectiveness of alternative approaches to postsecondary education that meet the learning needs of underserved adults. From 1965 to 1980, the Commission funded nearly 300 proposals from the University of California, California State University, Community College and independent college campuses for a total of $9.5 million over the 14 years that Title I was funded. Some observers believe that, given the modest funding levels for Title I programs in the past, the amounts that would have been distributed under the new (1980) title would have been trivial in the context of the intended purposes. The apparent mismatch of broadened access and limited funds brought about an end to the program funding altogether.

Proposed Changes

The revisions to this title will likely be called the Hatch-Gunderson Act, reflecting the anticipated authorship of Senator Orrin Hatch, chairman of the Senate Labor and Human Resources Committee and Congressman Steve Gunderson, member of the House Subcommittee on Postsecondary Education. The consensus legislation being developed by the cooperative efforts of many organizations interested in adult and continuing education had three parts in its draft form:

1. Support will be provided for institutional development and operation of adult learner programs, if institutions can show that these programs relate to statewide plans for adult and continuing education. There are no plans at present for state-level administration of the program such as the Commission was responsible for under the existing Title I. However, there will be state-level review of and comment on institutional proposals.

2. Several research centers across the country will be funded to emphasize the characteristics and particular problems related to serving adult learners.

3. State programs of information dissemination about resources for adult learning will be funded, but without the old Education Information Center structure.

TITLE II: COLLEGE AND RESEARCH LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Current Provisions

This title is currently divided into four parts:

Part A -- College Library Resources;

Part B -- Library Training, Research, and Development;

Part C -- Strengthening Research Library Resources; and

Part D -- National Periodical System

Part A authorizes a program of college library resource development grants for acquiring books, periodicals, and other library materials, and for creating and maintaining networks for sharing library resources among higher education institutions.

Part B authorizes three programs of college library training, research, and development:

- The College Library Career Training program provides fellowships and traineeships in librarianship.
- The College Library Research and Demonstrations program provides grants and project contracts to improve libraries, training in librarianship, information technology, and the dissemination of project information.
- And the College Library Special Purpose Grants program is designed to meet special national or regional needs in library or information science.

Part C authorizes the Strengthening Research Library Resources program, which provides special grants for this purpose.

Finally, Part D authorizes a National Periodical System Corporation to assess the feasibility and advisability of a national periodical system and prepare a design for such a system if it is found feasible and advisable. The Education Amendments of 1980 authorized $750,000 each year for 1981 and 1982 for this part of the title, but the Budget Act negotiations in 1981 eliminated these funds.

Proposed Changes

The first three of the four parts of Title II are recommended for authorization; a new part is proposed to meet emerging needs for technological equipment and software; and the current authority for the National Periodical System Corporation under Part D is recommended for deletion. The new part is advocated because many colleges are unable to keep up with rapid technological changes in library service and improve the quality of their library collections in the face of soaring growing costs for books, periodicals, and equipment. It would provide aid to both large and small academic libraries, and those with which they cooperate and share resources, to support changing curricula, keep their collections up to date, implement innovative resource-sharing programs, improve training in library and information science, and maintain their special collections of research materials. It would authorize grants to small libraries with financial need to improve their technological capacity as well as grants to more advanced libraries and other institutions providing library services to advance the state of the art through research and demonstration projects.

A need factor is also proposed for Part A to replace the present system of distributing grants to all applicants regardless of size or need. This would be especially important in strengthening cooperation among insti-

tutions of higher education and between colleges and other institutions so as to expand and enhance the library and information resources available to students and faculty, especially in those institutions which, for reason of location or limited finances, most lack library and information resources.

TITLE III: INSTITUTIONAL AID

Current Provisions

Title III was completely re-written in the Education Amendments of 1980. It is now the largest discretionary grant program in the Higher Education Act and the only one that provides direct institutional assistance to eligible colleges and universities. It authorizes three separate programs: Strengthening Institutions (Part A), Aid to Institutions with Special Needs (Part B), and Challenge Grants (Part C). The three programs differ in their criteria for institutional eligibility and duration of their grants.

Under Part A, Strengthening Institutions grants are authorized to improve the academic quality, institutional management, and fiscal stability of eligible institutions in order to increase their self-sufficiency and strengthen their capacity to make a contribution to the country's higher education resources. Eligible Institutions are those with extreme financial situations, little or no endowment, a high student/faculty ratio, a substantial percentage of students on federal need-based aid, limited library resources, poor physical facilities, a low percentage of faculty with doctorates, inadequate development offices, limited capacity for long-range planning, and poor or inadequate fiscal management and accounting procedures.

Part B authorizes Aid to Institutions with Special Needs to strengthen the planning, management, and fiscal capabilities of institutions with low average educational and general expenditures per full-time equivalent student and a substantial portion of students receiving Pell Grants and federal campus-based student aid.

Part C authorizes Challenge Grants to enable those institutions eligible for either of the other two parts of the title to apply for additional aid if the institution indicates that it will match the requested challenge-grant amount.

Proposed Changes

A restructuring of Title III is recommended to target federal support more effectively, establish comprehensive program initiatives, encourage systematic and sustained institutional development, support institutional attempts to build capacity in areas of excellence, and improve the management of Title III funding. The first two parts of the proposed new title would make direct reference to minority institutions, including a new criterion for Part A program eligibility that the institution enroll at least 40 percent of any of a combination of minority groups. Then Part B would become the "Black College and University Act" to provide sustained support for the

nation's historically Black colleges and universities. Title III has long been nettlesome to administer because its objective has been to improve these struggling colleges to the point where they no longer need sustained assistance from the federal government, and yet the program appears, from the continued plight of many of these institutions, to have been inadequately funded. To achieve the original goal, the Administration has proposed a grant endowment program that would build institutional resources without the current direct support of institutional operations.

TITLE IV: STUDENT ASSISTANCE

Current Provisions

Title IV authorizes all the major federal student assistance programs and a program of federal incentives to states to provide students with need-based grants through matching state funds. These programs were developed over a 15-year period from 1957 to 1972 for a variety of specific reasons, but primarily to carry out federal policy of providing "access" and "choice" in postsecondary education for low- and middle-income students.

The first four of the seven programs are collectively referred to as "campus-based" because the determination of student need and the elements of the financial aid package are arranged by the student aid office on each campus:

Pell Grants: This entitlement program for low- and middle-income undergraduate students is the largest student aid program -- funded at approximately $3.2 billion during this current year. The maximum award is now $2,100, although actually funded at about $1,900, and student eligibility is determined by a standard formula based upon the annual family contribution schedule developed by the U.S. Department of Education.

Supplemental Educational Opportunity Grant (SEOG): These grants provide supplemental awards of up to $2,000 to eligible students based upon a determination of exceptional financial need made by the students' campus financial aid office. Amounts vary based on the level of the student's need and the availability of SEOG funds at each particular institution.

National Direct Student Loans (NDSL): These low-interest (5 percent) loans are available through campus financial aid offices for needy undergraduate, graduate, or professional school students. Their amounts depend on students' need; but community college and vocational-technical school students may borrow only up to $3,000; undergraduates may borrow up to $3,000 per year for a maximum of $6,000; and graduate and professional-school students may borrow up to $12,000, including their accumulated undergraduate indebtedness.

College Work/Study (CWS): This program provides work opportunities on campus or in non-profit agencies and organizations at the minimum wage for

undergraduate and graduate students with financial need. Awards depend on need, but the average has been around $800, with the campus matching every four dollars of federal money with one of its own.

Special Programs for Students from Disadvantaged Backgrounds: This section of Title IV authorizes five special programs, including Talent Search, Upward Bound, Special Services for Disadvantaged Students, Educational Opportunity Centers, and Staff Development. Under each program, discretionary grants are awarded to postsecondary institutions or other eligible agencies to encourage and assist disadvantaged youth, primarily from low-income families, who have educational potential to complete their secondary education and then enter, continue, or resume a program of postsecondary education.

The first three of these programs (often referred to as the "TRIO Programs") are intended to:

1. provide information and counseling to students from families that may not have such experience or resources available to them;

2. influence academic course selection in secondary school;

3. assist students in selecting a college or university and completing admission and financial aid forms; and

4. prepare students for collegiate academic and social experience.

State Student Incentive Grants (SSIG): These funds are provided to states on a minimum one-to-one matching basis. California, which is now providing approximately 11 State dollars for every one of federal dollars, uses these funds as part of the Cal Grant programs, and these funds constitute approximately 8 percent of California's total State-supported student aid.

Guaranteed Student Loans (GSL): This program -- the subject of the Commission's recent report, Mortgaging a Generation -- provides low-interest subsidized and guaranteed loans to students through participating lenders. A needs test is required for students from families with incomes over $30,000; but eligible undergraduates can borrow up to $2,500 per year to a maximum of $12,500 during the course of their baccalaureate program, and graduate and professional-school students may borrow up to $5,000 per year for a maximum of $25,000, including undergraduate indebtedness. Payments on principal and interest are deferred until students are no longer enrolled.

Auxiliary Loans to Assist Students (ALAS): This program provides less subsidized but still federally guaranteed student loans through banks and other lenders to parents of dependent undergraduates, independent undergraduates, and graduate and professional-school students. These loans currently carry a 12-percent interest rate, and their student borrowers must make periodic interest payments while enrolled, unlike Guaranteed Student Loan borrowers. Parent borrowers must make both interest and principal payments, beginning within 60 days of receiving the loan. ALAS loan limits are $3,000

annually up to a maximum of $15,000 for all classes of borrowers except undergraduates independent of their families. These students are limited to $2,500 minus the amount of any Guaranteed Student Loan they received; essentially giving them access to a maximum of $2,500 of loan eligibility per year through either the GSL or ALAS program.

In addition to authorizing these programs, Title III also contains the definitions that drive the programs, the general outlines of the needs-analysis system used for the Pell Grant, SEOG, CWS, and NDSL programs, student aid form and regulation requirements, student eligibility requirements, and provisions for general institutional participation.

Proposed Changes

Pell Grants: Discussion has continued over the last decade about limiting the use of Pell Grants to 50 percent of the cost of student attendance, minus the family's expected contribution. The issue has divided the higher education community between independent colleges and universities and largely residential public colleges on the one hand, which generally have higher student fees, and public two- and four-year institutions on the other, which charge lower fees and whose largely non-resident students' major costs to attend are not fees but living expenses. Currently the program is authorized for a $2,100 per year maximum grant but under what is commonly referred to as the "half-cost provision," the grant may be used to cover only up to one-half of the students' allowable budget under the Pell Grant formula. This naturally means that residential students and those at private colleges are more likely to be able to qualify for the full $2,100 grant than most students at public colleges and universities with lower student fees, and thus lower total costs.

One of the proposed changes would allow the grant to cover up to 60 percent of students' educational costs, while at the same time attempting to enforce funding of the $2,100 maximum award that is currently in statute but is often reduced when the program comes up short due to greater demand than the annual appropriation level.

There is also some hope that the grant maximum can be raised to $3,000, but given the seeming inability to fund the maximum level authorized under the 1980 Amendments, the prospect of actually funding the currently authorized $2,100 maximum appears to be the most that can be achieved. This would satisfy independent institutions and also meet with the approval of public colleges and universities.

A third proposal would allow students carrying any number of credits to obtain a pro rata share of a maximum grant rather than limiting student eligibility, as at present, to those who carry more than a half-time credit load. Finally, in the assessment of need, there may be some consideration of transportation costs for commuting students not living at home as well as child-care costs, especially if the half-cost provision is allowed to rise to 60 percent.

Supplemental Educational Opportunity Grants (SEOG): No change is foreseen in this program during this reauthorization, although the Administration has proposed in recent budget documents that this program become part of a student financial assistance block grant package that includes one grant, one loan, and one work/study program. Tighter eligibility requirements limiting the program to exceptionally needy students were deleted by Congress in the 1980 Amendments but have been suggested for reinstatement by the Administration to more selectively target this program.

National Direct Student Loans: No change is foreseen in this program, either, although recently the Administration and Congress agreed in the latest annual appropriation process to end federal contributions to it. Since the program is run by institutions, campuses still participating in it are expected to capitalize their loan funds as students pay back their loans. It is possible that NDSL may be folded into the Guaranteed Student Loan program despite the logistical problems involved.

College Work/Study and State Student Incentive Grants: Anticipated amendments to these two programs would allow states the flexibility to use SSIG funds in state-run college work study or public service programs once the funding for SSIG rises above the current-year funding.

Guaranteed Student Loans: Several proposed changes in this program may trim costs, create incentives for a long-term lower default rate, and allow for continuing attention to adequate funding for need-based grant programs. These suggested changes include:

- Limiting every Guaranteed Student Loan to a student's remaining need not to exceed the current loan limits, and require a needs test of every borrower regardless of income level;
- Creating a maximum gross annual family-income cap in the range of $60,000 to $65,000;
- Raising loan limits for graduate students only, and making the increase only a small one;
- Reducing the special allowance paid to lenders in the program;
- Giving premiums to lenders for successful collection efforts and assessing penalties for unsuccessful efforts or lack of diligence in pursuing repayment;
- Eliminating of the 5-percent origination fee that students pay upon receipt of their loans;
- Requiring periodic multiple disbursement of loan funds rather than lump-sum disbursement;
- Extending the repayment period for students who have aggregate debts in excess of $25,000;

- Consolidating loans for students with heavy debt levels at the average interest rate of the consolidated loans and open to all eligible lenders in the program;

- Creating a new Graduate Assistance program for first- and second-year graduate and professional-school students to assist those who can demonstrate financial need with grants ranging from $1,000 to $5,000 (this major effort, which reflects recommendations in a recent national report on graduate education, Signs of Trouble and Erosion, by a subcommittee of the National Commission on Student Financial Assistance, would be campus based, with allotments covering unmet need for financial assistance and with institutional discretion over student selection and areas of study); and

- Developing a single needs-analysis system for federal aid programs that would replace the three systems now in use to determine eligibility.

TITLE V: TEACHER PREPARATION

Current Provisions

Title V has included four programs -- Teacher Corps, Teacher Training, Training for Elementary and Secondary School Teachers to Teach Handicapped Children, and Coordination of Education Professional Development. In 1981, however, the Teacher Corps and Teacher Training programs were repealed and then included in Block Grants under the Education Consolidation and Improvement Act, essentially eliminating this title.

Proposed Changes

The former Teacher Corps and Teacher Training programs would be replaced by four new programs -- academic-year activities; summer institutes; school, college, and university partnerships; and needs assessment and data collection -- that would focus on strengthening pre-service and continuing teacher education, for rapid training and certification of baccalaureate degree holders who lack teacher education credits needed for credentialing, and for retraining career teachers who need further professional development.

These proposed changes are fairly fluid at the moment, and contributions from the states in the form of successful teacher pre- and in-service training models might be useful to the framers of this legislation. Models in California could include the California Writing Program (originally the Bay Area Writing Project) and the California Mathematics Project.

Some interest also exists in extending the recently enacted federal legislation providing funds for in-service training for mathematics and science teachers through direct grants to school districts as well as discretionary grants to postsecondary institutions and state boards of education. Awards would be designed to strengthen existing partnerships and forge new ties between postsecondary institutions and elementary and secondary schools.

TITLE VI: INTERNATIONAL EDUCATION

Current Provisions

This title currently includes provisions for several International and Foreign Language Studies programs under Part A and Business and International Education Programs under Part B.

Part A authorizes these activities:

- The Graduate and Undergraduate Language and Area Studies program awards grants for establishing, strengthening, and operating graduate and undergraduate centers and programs as national resources for teaching any modern foreign language, for instruction in those fields needed to provide a full understanding of the places where such a language is commonly used, and for research and training in international studies.

- The International Studies Centers program provides grants to establish, strengthen, and operate graduate and undergraduate centers as regional resources to increase access to research and training in international and foreign language studies. Funds may also be used for stipends for individuals being trained in these centers.

- The Undergraduate International Studies and Foreign Language program provides grants for planning, developing, and carrying out comprehensive programs to strengthen and improve undergraduate instruction in international studies and foreign languages. It also allows either grants or contracts for research and studies relating for foreign language instruction.

Part B authorizes a Business and International Education Program to provide the federal share of programs designed to promote linkages between higher education institutions and businesses engaged in international economic activity.

Proposed Changes

The American Council on Education has proposed that two new programs be created to replace those described above:

1. A small number of "language resource centers" would be established, mainly to develop better techniques for teaching foreign languages and to devise standardized tests to assess students' proficiency in them. The centers would be expected to inform educators about innovative teaching methods in the foreign languages.

2. "Intensive summer language institutes" would be created to provide training for people who cannot enroll in foreign-language courses during the academic year, such as faculty members who need advanced training in a particular language.

It has also been suggested that in order to maintain high quality, language and area-studies centers for undergraduate students be evaluated for funding on a different basis and with standards separate from those for graduate students.

TITLE VII: CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

Current Provisions

The current Title VII authorizes grants and loans for construction, reconstruction, and renovation of undergraduate, graduate, and academic facilities. The general purposes of the grants program have been to enable institutions to economize on the use of energy resources; bring their facilities into conformity with the Architectural Barriers Act of 1968 as well as other federal, state, or local requirements; improve research facilities; and deal with asbestos and other hazards.

The loan program includes direct loans as well as interest payment grants to institutions to build, reconstruct, or renovate buildings where at least 20 percent of the financing comes from non-federal sources.

Proposed Changes

At least three reasons are given for changing and perhaps ending this title. One is the impression that the backlog of new construction needs which have not been funded by this program is discouragingly large. A second is that questions exist as to what role, if any, is appropriate for the federal government in this area. Third, the most pressing needs now expressed by campuses include modernization and renovation of facilities along with an obvious lack of research equipment and instrumentation.

It has been proposed that support for construction for academic and research facilities be limited in the new title to loans rather than grants and that these loans be subsidized to a lesser degree than in the past. It has been estimated that the unmet need for instrumentation in university research nationally is now in the range of $1 billion. The relation between this need and problems of university research and graduate training has been clarified by the Subcommittee on Graduate Education of the National Commission on Student Financial Assistance in its report, Signs of Trouble and Erosion: A Report on Graduate Education in America. As a response, another suggestion for the new title is a matching grant program for the purchase of laboratory and research equipment.

TITLE VIII: COOPERATIVE EDUCATION

Current Provisions

This title authorizes grants to institutions to stimulate the development of "co-op" education programs in conjunction with public and private employers. These projects provide work experiences to students -- either concurrent or alternating with periods of academic study -- that relate to the students' career or academic objectives while also providing earnings to help meet the costs of postsecondary education. The grants are authorized both for program planning and operation as well as for research and demonstration projects.

Proponents of this program argue that cooperative education students pay an average of $600 a year in federal income and employment taxes, amounting to total revenue to the U.S. Treasury in the neighborhood of $120 million per year. Given the current program appropriation of $14.5 million, this amounts to a significant return to the federal government. In addition, an independent management survey showed that, as a financial aid program, federal spending on cooperative education is more cost effective than its Title IV student loan program.

Proposed Changes

Although the Administration is understood to be opposed to this program, its supporters are convinced of its value, and it is likely to remain in the Higher Education Act although its level of funding will remain a function of the yearly appropriations process. Cooperative education, by its nature, requires substantial expenditures. For instance, in-depth personal and occupational counseling of students prior to job placement and upon return from employment is an essential function of an effective cooperative education program. In addition, a substantial professional staff is required to seek out prospective employers and to assist employers in designing employment opportunities that have the maximum educational advantage for students.

TITLE IX: GRADUATE PROGRAMS

Current Provisions

The current title authorizes five programs:

Grants to Institutions of Higher Education (Part A), for maintaining, strengthening, or improving the quality of graduate and professional programs (other than medical) that lead to advanced degrees or prepare graduate and professional students for public service.

Fellowships for Graduate and Professional Students (Part B), to provide fellowships to graduate and professional students who demonstrate financial

need. The maximum award is $4,500 or the demonstrated level of financial need, whichever is less.

National Graduate Fellows Program (Part C), providing up to 450 fellowships each year for graduate study in the arts, humanities, and social sciences for students with superior ability, selected on the basis of demonstrated achievement and exceptional promise.

Assistance for Training in the Legal Profession (Part D), to provide grants and contracts for pre-law selection and preparation activities and for the payment of stipends to students from disadvantaged backgrounds in order to help them train for the legal profession.

Law School Clinical Experience Programs (Part E), to provide assistance to accredited law schools for establishing or expanding programs of clinical practice experience for students.

Proposed Changes

It has been argued that more needs to be done to ensure the presence of women and minorities in the ranks of the nation's graduate students, especially in mathematics and the sciences, and that the dependence of graduate students on loans should be reduced without, at the same time, causing any reduction of assistance to undergraduates under Title IV. In addition, the declining quality of graduate education should be addressed in some way by the federal government. In response, this title is expected to be changed in several ways:

- First, within the student financial aid section (Title IV) of the Act, a new program of assistance would be created to provide needy graduate students with grants ranging from $1,000 to $5,000 through campus student aid offices.

- Second, within Title IX, a new program would be created to provide grants to departments that are considered to be academically strong by a panel of scholars. These grants would be designed to help the departments attract outstanding graduate students through generous fellowships.

- The third step would be the creation of a program to attract minority students into graduate programs through summer research internships, seminars, and other activities that expose them to the type of scholarly work they will encounter in graduate school.

In addition, there is some possibility that Title VII (Construction, Reconstruction, and Renovation of Academic Facilities) will be eliminated and that support for costly research instrumentation will be paired in this title with support for graduate school programs and students.

TITLE X: FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION (FIPSE)

Current Provisions

This title authorizes the Fund to provide grants and contracts to improve postsecondary educational opportunities by providing assistance to educational institutions and agencies for a broad range of postsecondary reform, innovation, and improvement activities.

Proposed Changes

This small program is commonly viewed as one of the most effective in the Higher Education Act. It is recommended for reauthorization with only minor changes. FIPSE's broad mandate has encouraged the identification of educational problems and the development and dissemination of innovative solutions.

The possibility of raising the funding authorization for this program has also been discussed, but FIPSE is reluctant to increase its appropriation over about $20 million. Its experience with smaller grants resulting in programs capable of being absorbed into institutional budgets has led to a realization that the scale of its current programs is most appropriate to the goals of Title X.

TITLE XI: URBAN GRANT UNIVERSITY PROGRAM

Current Provisions

This title was designed to help urban universities address problems in the urban environment and make their resources more readily and effectively available to the communities in which they are located.

Proposed Changes

Representative William Ford of Michigan, Chairman of the House Subcommittee on Postsecondary Education that will be making the first suggestions for changes in this Act, is the most vocal proponent of this title and has already proposed its simple extension in the upcoming reauthorization. The title is viewed by the institutions as a potentially significant resource for cities to use in dealing with community problems. Technical changes are also proposed to emphasize cooperation among two- and four-year institutions and coordination with programs administered by other agencies.

TITLE XII: GENERAL PROVISIONS

Current Provisions

Title XII contains a number of general provisions that concern the entire Higher Education Act and its amendments, including:

- definitions for a number of selected terms;
- anti-discrimination requirements;
- provisions regarding federal-state relationships and required state agreements for participating in several of the programs authorized under the Act, including student financial aid;
- special provisions concerning the treatment of Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Marianas under the various programs; and
- establishment of a National Advisory Committee on Accreditation and Institutional Eligibility.

Proposed Changes

The State Higher Education Executive Officers have suggested that a definition of a "State Higher Education Agency" developed for this section of the Act as parallel language to that used for elementary and secondary education at the state level. The language it proposes is similar to that used in Public Law 98-377 -- the Education for Economic Security Act -- which provides funds for in-service education for mathematics and science school teachers:

> The term "State higher education agency" means that state board, council, commission or agency, or the executive officer of such entity, primarily responsible for the supervision of or coordination of institutions of higher education operating in the state, or, if there is no such board, council, commission, agency or officer, the board, council, commission, agency or officer designated by the Governor or by state law.

Some changes to institutional eligibility for such programs as Student Financial Assistance (Title IV) may be proposed by the Administration, including (1) striking the provision that colleges may grant federally supported student aid to students who do not have a high school diploma but show "ability to benefit" from attendance, and (2) changing institutional eligibility for participation based on alternatives to accreditation.

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CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

A state agency created in 1974 to assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs through statewide planning and coordination.

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